



PRESS RELEASE

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Douglas County's Bond Rating Upgraded to Highest in History

January 13, 2014. Minden, Nevada. Standard and Poor's (S&P) Rating Services upgraded Douglas County's underlying bond rating by two notches to 'AA' or "very strong" on January 10, 2014. The new bond rating is the first upgrade in 10 years and is the highest underlying rating ever provided to Douglas County from S&P. The rating upgrade is a significant event for the County and reflects recent efforts to implement several fiscal health practices, including long-range financial forecasting, revenue and expense stabilization, and priority based budgeting.

"This historic upgrade is the result of our unwavering commitment to excellence," said County Manager Steve Mokrohisky. "The fact that our rating was increased by two notches is significant and demonstrates the impact of the financial practices that we have implemented over the past several years. The leadership of our Board, the tireless efforts of our staff and the support of our residents is reflected in this upgrade."

A higher bond rating allows the County to lower the cost to taxpayers for financing public projects, and is considered a reflection of an organization's high quality financial management, very low credit risk and very strong capacity to meet its financial commitments.

In its rating upgrade, S&P referenced the County's financial management practices that have been implemented over the past three years, stating, "We view the county's management conditions as very strong with strong financial practices that are well embedded, and likely sustainable." S&P concluded that, "The stable outlook reflects Standard and Poor's opinion that county officials will likely continue to manage general fund operations prudently, making the budget adjustments necessary to maintain stable financial operations and very strong available reserves. Therefore, we do not expect to change the rating over the two-year outlook horizon."

S&P also referenced the County's recent success in structurally balancing its budget, stating: "Officials balanced the 2014 budget . . . We believe officials have successfully

implemented corresponding expenditure adjustments, permitting the county to add to reserves in fiscal years 2012 and 2013 after consecutive deficits in fiscal years 2009-2011.”

S&P’s bond rating upgrade comes just six months after Moody’s Investors Services, Inc. rated Douglas County with its third highest bond rating of ‘Aa2’ in 2013. Standard and Poor’s Rating Services previously rated Douglas County ‘A+’ or “strong” in 2012. In 2012, S&P stated that the highlights of the County’s management techniques were its formal financial policies, utilizing external and internal resources for budget assumptions, and engaging in multiyear financial planning, but noted that it wanted to see these practices continued before upgrading its rating. The last upgrade from S&P was in 2004, when the County’s bond rating increased one grade from ‘A’ to ‘A+’.

In the last several years, bond rating agencies have created more stringent criteria for local governments to meet in order to maintain their ratings. Numerous municipal bankruptcies have been filed since 2010, due to declining revenues, increasing expenses and unfunded employee benefit liabilities. Visit www.douglascountynv.gov for additional information.